

written to the SEBI on the possible violations of US Banking laws by US based banks operating in India. The Commission was furnished copies of the Janakiraman Committee Report. The SEC had also written to the SEBI suggesting investigation into the securities transactions of the US banks,

RBI are taking up with SEC the irregularities in securities transactions of the US banks.

Uniform Tax Rates for NRI

3770. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have taken note of various suggestions made at the recent seminar on 'Foreign Investments in India' held under the aegis of PHD Chamber of Commerce & Industries, which *inter-alia*, made a plea for imposition of uniform tax rates for NRIs, as reported in the Hindustan Times of the 14th March, 1994;

(b) whether Government are also aware that the NRIs participating in the seminar lamented over the closure of several Indian Investment Centres, thereby clogging communication infow; and

(c) if so, what is Government's reaction thereto and the action Government propose to take in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) : (a) Yes, Sir. Earlier, as a step towards rationalisation of the tax structure, the Budget proposals for 1994-95 provide that rates of tax for investment (dividends and Interest Income) of nonresident individuals (be they Indian or foreign nationals) and non-resident companies will be at a uniform rate of 20%.

(b) Although the overseas offices of the Indian Investment Centre have been closed it does not appear correct to conclude that the communication inflow has been clogged as Indian Missions abroad have taken on the role of dis-seminating information and promotion of overseas investment in India.

(c) As discussed under (») A O) above.

Excise Duty on Small and Cottage Industries

3771. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state :

(a) whether new excise duties have been levied in the 1994-95 Budget on the woollen yarn used for manufacturing carpets, on cotton yarn, stainless steel strips, brass sheets, glass shells, packing boxes and other items produced in small and cottage industries;

(b) if so, whether it is a fact that thousands of small and cottage industrial units have closed down as a result and lakhs of skilled and unskilled workers have become jobless; and

(c) if so, the measure proposed to be adopted by Government to provide relief to small and cottage industries which are the very soul of our economy, employing more than three crore people against only 78 lakh workers employed in the big industries ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) : (a) In the 1994-95 Budget, full excise duty exemption on certain items like woollen yarns, acrylic spun yarns, narrow woven fabrics, cotton yam and cellulosic spun yarns made out of duty paid yam and subjected to certain specified processing, printed cartons, boxes, containers and cases when made from specified paper or paperboards as well as unprinted cartons etc. had been withdrawn.

(b) A number of Federations and Associations of small scale units have in their representations, expressed fear that these proposals may result in closure of a number of small Scale units resulting in large scale unemployment of workers. However, in terms of General SSI exemption scheme under Notification 1/93-"CE dated 28th February, 1993, SSI units manufacturing specified goods are not required to pay excise duty for clearances upto Rs. 30 lakhs and subsequent clearances upto Rs. 75 lakhs have also been provided certain excise duty concessions. As more than 95% SSI and tiny

units in the country are reportedly having a turnover of less than Rs. 30 lakhs, withdrawal of the excise duty exemptions is not likely to affect the tiny and genuine small scale units.

(c) In the budget 94-95, when the full duty exemption was withdrawn in respect of many items, some of these items were already covered under the General SSI scheme (eg. soap made without the aid of power, made up articles, shawls, mufflers etc.) and in respect of some items like Monofilament yarn, Conveyor beltings, articles of iron and steel, tyres and tubes etc. the small scale exemption under notification No. 1/93-CE was extended with effect from 1-3-94. Subsequently in respect of woollen yarn, acrylic yarn, polypropylene spun yarn, narrow woven fabric and gauze also the Small Scale exemption under notification No. 1/93 has been extended. In respect of cotton yarn and cellulosic spun yarns made out of duty paid yarn and subjected to certain specified processes, shawls, handkerchiefs, and on footwear upto a value of Rs. 50 per pair, full exemption from duty has been restored. Representations received from the trade and industry on the effect of budgetary changes are being carefully examined. Wherever an industry is considered to be adversely affected necessary corrective action would be taken.

Loans to Make up Budget Deficit

3772. SHRI CHIMANBHAI HARIBHAI SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Budget deficit for 1993-94 has been shown less by taking more loan from the World Bank;

(b) if so, the quantum of loan taken to make up the difference;

(c) the other sources by which deficit in the Budget has been made-up;

(d) whether Government have made any study on the impact of this policy; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) No, Sir. In fact the net external

assistance assumed in RE 1993-94 was less at Rs. 3836.77 crores against the RE figure of Rs. 5453.78 crores.

(c) The gap between expenditure and receipts has been met by additional internal borrowings.

(d) and (e) Government are keeping a close watch on the budget deficit and will endeavour to keep it within manageable limits.

Unsettled Accounts Lying with LIC 3773. SHRI PROMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) the total amount of unsettled accounts lying with LIC in sundry suspense accounts on behalf of policy holders towards premia in last three years, year-wise;

(b) total amount of unclaimed mature policy money in last three years; and

(c) the action taken by Government of India to settle the claim

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) The requisite information is as under:

(Rs. in crores)

1990-91	1991-92	1992-93
5.21	6.01	7.36

(b) The requisite information is as under: (Rs. in crores)

1990-91	1991-92	1992-93
5.30	3.50	6.70

(c) Unclaimed amount is ploughed back into the life fund of the L.I.C for the benefit of entire body of policy holders and is paid when claimed by the policy holders.

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3774. DR. MURLI MANOHAR JOSHI:

SHRI TRILOKI NATH CHATURVEDI: